



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

September 25, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: FISCAL YEAR 2006-07 YEAR-END  
BUDGET ADJUSTMENT  
(ALL SUPERVISORIAL DISTRICTS)  
(4 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Fiscal Year (FY) 2006-07 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to increase the designation balance, as of June 30, 2007, to \$135.3 million.
2. Approve the attached FY 2006-07 BA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan.
3. Approve the attached FY 2006-07 BA (Attachment III) to realign the available funding for the Measure B Special Revenue Fund.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The Board's approval of these BA's (Attachments I through III) for FY 2006-07 will:

1. Increase the DHS designation fund balance, as of June 30, 2007, to \$135.3 million in the designation, comprised of a \$17.7 million FY 2006-07 operating surplus (Attachment IV) and the existing \$117.6 million designation balance from

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

prior fiscal years. Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2006-07 financial experience.

2. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2006-07 financial experience, and decrease the transfer of funding to DPSS by \$0.3 million resulting from lower than expected operating activity.
3. Align appropriations and revenues within the Measure B Special Revenue Fund in accordance with FY 2006-07 final experience.

### **FISCAL IMPACT/FINANCING**

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2006-07. It also increases the designation balance to \$135.3 million, as of June 30, 2007 (see Attachment IV for the components of the \$135.3 million surplus).

Per Medi-Cal Redesign, any hospital that ends the fiscal year with a positive fund balance must retain the funds for their future use. Of the \$17.7M being placed in designation, \$5.8 million is associated with Martin Luther King, Jr.-Harbor Hospital (MLK-H) and \$7.8 million is associated with Rancho Los Amigos National Rehabilitation Center (Rancho). These amounts are being placed in separate designation accounts for MLK-H and Rancho. These amounts will be used to fund MLK-H and Rancho's FY 2007-08 operations.

On December 2, 2003, your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$114.4 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2007. This includes \$5.9 million in interest that was earned on the balance in FY 2006-07 and \$0.2 million in parking fees. In FY 2006-07, \$7.0 million was expended and \$30.7 million was encumbered in the ACO fund. On August 22, 2006, your Board approved an itemized equipment list for the LAC+USC Medical Center Replacement Project totaling \$107.2 million planned for acquisition.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This Year-End BA has no impact on current services.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
DRJ:BK:bjs

Attachments (4)

c: County Counsel  
Auditor-Controller  
Director and Chief Medical Officer, Department of Health Services

PINK

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BOARD OF  
SUPERVISORS  
OFFICIAL COPY

## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health ServicesDept's.  
No. 110

08/24 2007

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

**FY 2007**  
**4 - VOTES**

SOURCES

See Attachment I for details

USES

See Attachment I for details

JUSTIFICATION

This budget adjustment is necessary to increase the DHS Enterprise Fund designation for future use to \$135.3 millions and realign certain appropriations and revenues within DHS in accordance with the FY 2006-07 final experience

MM:ty  
08/24/2007

ADOPTED

Mason Matthews - DHS-Controller's Division

Chief Executive Officer's Report

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

34

SEP 25 2007

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Referred to the Chief  
Executive Officer for ---

action

Approved as Requested

as Revised

✓ Recommendation

9/19

20 07

*D. Jensen*  
Chief Executive Officer

auditor-controller

by

*Hel. Jung, For Connie Yee*approved (as revised):  
board of supervisors

20

no.

911

SEP 19

2007

by

deputy county clerk

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2006-07**

**4-VOTE**

**SOURCES:**

<b>LAC+USC Healthcare Network</b>		
MN4-HG-60010-9910		
Operating Transfers In - Measure B	\$	13,747,000
MN4-HG-60010-2000		
Services and Supplies		14,742,000
MN4-HG-60010-9911		
Operating Transfer In		21,839,000
Total LAC+USC Healthcare Network	<u>\$</u>	<u>50,328,000</u>

<b>Coastal Network (H/UCLA Medical Center)</b>		
MN1-HH-60020-9416		
Safety Net Care Pool		27,779,000
Total Coastal Network	<u>\$</u>	<u>27,779,000</u>

<b>Southwest Network (MLK-H Hospital)</b>		
MN5-HK-60030-1000		
Salaries & Employee Benefits		41,406,000
Total Southwest Network	<u>\$</u>	<u>41,406,000</u>

<b>Rancho Los Amigos National Rehabilitation Center</b>		
MN7-HR-60040-9416		
Safety Net Care Pool		8,845,000
Total Rancho Los Amigos	<u>\$</u>	<u>8,845,000</u>

<b>Valley Care Network (San Fernando &amp; Antelope Valley)</b>		
MN3-HO-60050-9910		
Operating Transfers In - Measure B		5,183,000
MN3-HO-60050-9416		
Safety Net Care Pool		13,559,000
MN3-HO-60050-9911		
Operating Transfer In		2,932,000
Total Valley Care Network	<u>\$</u>	<u>21,674,000</u>

<b>DHS Enterprise Fund</b>		
MN2-HS-60070-6100		
Other Financing Uses		11,979,000

**USES:**

<b>LAC+USC Healthcare Network</b>		
MN4-HG-60010-9912		
Operating Subsidy	\$	47,390,000
MN4-HG-60010-5500		
Other Charges		2,938,000
	<u>\$</u>	<u>50,328,000</u>

<b>Coastal Network</b>		
MN1-HH-60020-9911		4,177,000
Operating Transfer In		
MN1-HH-60020-9912		
Operating Subsidy		10,076,000
MN1-HH-60020-9910		
Operating Transfers In - Measure B		8,078,000
MN1-HH-60020-1000		
Salaries & Employee Benefits		1,752,000
MN1-HH-60020-2000		
Services and Supplies		3,696,000
	<u>\$</u>	<u>27,779,000</u>

<b>Southwest Network</b>		
MN5-HK-60030-9911		
Operating Trans In		24,785,000
MN5-HK-60030-9912		
Operating Subsidy		5,770,000
MN5-HK-60030-9910		
Operating Transfers In - Measure B		10,851,000
	<u>\$</u>	<u>41,406,000</u>

<b>Rancho Los Amigos Medical Center</b>		
MN7-HR-60040-9911		
Operating Trans In		7,788,000
MN7-HR-60040-5500		
Other Charges		1,057,000
	<u>\$</u>	<u>8,845,000</u>

<b>Valley Care Network</b>		
MN3-HO-60050-9912		
Operating Subsidy		17,781,000
MN3-HO-60050-2000		
Services and Supplies		3,850,000
MN3-HO-60050-6030		
Equipment		43,000
	<u>\$</u>	<u>21,674,000</u>

<b>DHS Enterprise Fund</b>		
MN2-HS-60070-3078		
Designation for DHS		4,191,000

BA # 911

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2006-07**

**4-VOTE**

**SOURCES:**

**USES:**

MN2-HS-60070-9912 Operating Subsidy	5,770,000	MN2-HS-60070-3048 Designation for DHS MLK-H	5,770,000
		MN2-HS-60070-3081 Designation for DHS Rancho	7,788,000
Total DHS Enterprise Fund	<u>\$ 17,749,000</u>		<u>\$ 17,749,000</u>
Total Enterprise Fund	<u>\$ 167,781,000</u>		<u>\$ 167,781,000</u>
<b>Health Services Administration</b> AO1-HS-20000-2000 Services and Supplies	13,331,000		
		<b>Office of Managed Care</b> AO1-HS-19975-9426 CHP - Medi-Cal	94,195,000
<b>Juvenile Court Health Services</b> AO1-HS-20600-1000 Salaries and Employee Benefits	1,474,000		
AO1-HS-20600-2000 Service & Supplies	729,000		
AO1-HS-20600-6800 Intrafund Transfers	538,000		
AO1-HS-20600-5500 Other Charges	131,000		
<b>Health Services - Realignment</b> AO1-HS-19999-8899 Sales Tax	4,464,000		
		<b>VLF Realignment</b> AO1-ND-10591-8716 State Vehicle License Fee - AB 1288	8,157,000
<b>Public Health TB Housing</b> AO1-CP-69207-3306 Apr-Con Can Com	413,000		
<b>H/UCLA Hub Clinic</b> AO1-CP-69574-6014 Fixed Assets - Building & Improv.	2,000		
<b>Central HC Seismic Retro</b> AO1-CP-86509-6014 Fixed Assets - Building & Improv.	280,000		
<b>Hudson CHC Seismic Retro</b> AO1-CP-86514-3306 Apr-Con Can Com	24,000		
<b>H/UCLA Refurb Parlow Library</b> AO1-CP-86516-6014 Fixed Assets - Building & Improv.	104,000		
AO1-CP-86516-8938 Federal Other/CP	7,000		
<b>Central HC X-Ray Space</b> AO1-CP-86571-6014 Fixed Assets - Building & Improv.	240,000		
<b>PH ACD Office Renovation (DPH)</b> AO1-CP-86572-3306 Apr-Con Can Com	35,000		
<b>HHH Hot Water Pipe Replacement</b>			

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2006-07**

**4-VOTE**

**SOURCES:**

**USES:**

AO1-CP-86637-6014			
Fixed Assets - Building & Improv.	460,000		
<b>El Monte Pharmacy Renovation</b>			
AO1-CP-86701-6014			
Fixed Assets - Building & Improv.	400,000		
<b>H/UCLA Cath Lab</b>			
AO1-CP-86728-6014			
Fixed Assets - Building & Improv.	73,000		
<b>OVMC Cath Lab</b>			
AO1-CP-86729-6014			
Fixed Assets - Building & Improv.	33,000		
<b>H/UCLA Psych Facility Upgrade</b>			
AO1-CP-86851-6014			
Fixed Assets - Building & Improv.	157,000		
<b>OV/UCLA Psych Facility Upgrade</b>			
AO1-CP-86852-6014			
Fixed Assets - Building & Improv.	120,000		
<b>H/UCLA Radio/Flouro Room Mod</b>			
AO1-CP-86864-6014			
Fixed Assets - Building & Improv.	334,000		
<b>USP797 Pharm Upgrade - Multiple Sites</b>			
AO1-CP-86873-6014			
Fixed Assets - Building & Improv.	3,356,000		
<b>RLA Radio/Flouro Room Mod</b>			
AO1-CP-86898-6014			
Fixed Assets - Building & Improv.	400,000		
<b>General Fund Subsidy - (LAC+USC)</b>			
AO1-AC-21224-6100			
Operating Transfers Out	47,390,000		
<b>General Fund Subsidy - (H/UCLA)</b>			
AO1-AC-21226-6100			
Operating Transfers Out	10,076,000		
<b>General Fund Subsidy - (MLK-H)</b>			
AO1-AC-21228-6100			
Operating Transfers Out	5,770,000		
<b>General Fund Subsidy - (OV/UCLA)</b>			
AO1-AC-21232-6100			
Operating Transfers Out	17,781,000		
		<b>General Fund Subsidy - (DHS Enterprise Fund)</b>	
		AO1-AC-21236-6100	
		Operating Transfers Out	5,770,000
<b>Total General Fund</b>	<b>\$ 108,122,000</b>		<b>\$ 108,122,000</b>
<b>Total Department</b>	<b>\$ 275,903,000</b>		<b>\$ 275,903,000</b>

**Noted & Approved:**

**Mason Matthews, Acting Controller  
Department of Health Services**

## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of health servicesDept's.  
No.

August 17, 2007

## Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2006-07

4 - VOTES

SOURCES

See Attachment II for details.

USES

See Attachment II for details.

JUSTIFICATION

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$0.347 million of unused funding from the Department of Public Social Services (DPSS).

MM:ry  
08/17/07

ADOPTED

Mason Matthews, Acting Controller. DHS

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

Chief Executive Officer's Report

SEP 25 2007

SEP 25 2007

Sachi A. Hamai  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Referred to the Chief  
Executive Officer for ---

action

Approved as Requested

as Revised

Recommendation

Sept 19 2007

D. Jensen  
Chief Executive Officer

auditor-controller

by Helen Jung For Connie Yeeapproved (as revised):  
board of supervisors

20

no.

903

SEP 19 2007

by

deputy county clerk



**DEPARTMENT OF HEALTH SERVICES**  
**IHSS HEALTH BENEFITS PROGRAM**  
**FISCAL YEAR 2006-07**

**4-VOTE**

**SOURCES:**

<b>LAC+USC Healthcare Network</b>	
MN4-HG-60010-96-9912	
Operating Subsidy	\$ 136,000
<b>Coastal Network</b>	
MN1-HH-60020-96-9912	
Operating Subsidy	134,000
<b>Southwest Network</b>	
MN5-HK-60030-96-9912	
Operating Subsidy	57,000
<b>Valleycare Network</b>	
MN3-HO-60050-96-9912	
Operating Subsidy	18,000
<b>Total Enterprise Funds</b>	<u><u>\$ 345,000</u></u>

**USES:**

<b>LAC+USC Healthcare Network</b>	
MN4-HG-60010-92-942A	
CHP-In-Home Supp Svcs Rev	\$ 136,000
<b>Coastal Network</b>	
MN1-HH-60020-92-942A	
CHP-In-Home Supp Svcs Rev	134,000
<b>Southwest Network</b>	
MN5-HK-60030-92-942A	
CHP-In-Home Supp Svcs Rev	57,000
<b>Valleycare Network</b>	
MN3-HO-60050-92-942A	
CHP-In-Home Supp Svcs Rev	18,000
	<u><u>\$ 345,000</u></u>

<b>Office of Managed Care</b>	
AO1-HS-19975-92-942A	
CHP-In-Home Supp Svcs Rev	\$ 2,000

<b>ENT SUB-LAC+USC HLTHCARE NETWK</b>	
AO1-AC-21200-21224-6100	
Operating Transfers Out	136,000

<b>ENT SUB-COASTAL CLUSTER</b>	
AO1-AC-21200-21226-6100	
Operating Transfers Out	134,000

<b>ENT SUB-SW CLUSTER</b>	
AO1-AC-21200-21228-6100	
Operating Transfers Out	57,000

<b>ENT SUB-SF VALLEY CLUSTER</b>	
AO1-AC-21200-21232-6100	
Operating Transfers Out	18,000


<b>Total General Funds</b>	<u><u>\$ -</u></u>
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<u><u>\$ 347,000</u></u>
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<b>Total Department</b>	<u><u>\$ 345,000</u></u>
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<u><u>\$ 692,000</u></u>
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Noted &amp; Approved:

  
 \_\_\_\_\_  
 Mason Matthews, Acting Controller  
 Department of Health Services

BA # 903

DEPARTMENT OF PUBLIC SOCIAL SERVICES  
IHSS HEALTH BENEFITS PROGRAM  
FISCAL YEAR 2006-07

## 4-VOTE

SOURCES:USES:**PSS-IHSS**

A01-SS-25904-26410-2000

Services and Supplies

\$ 347,000

26300

Total Department

\$ 347,000\$ -

Noted &amp; Approved:



Department of Public Social Services

PINK

76R 352M 11/83

BOARD OF  
SUPERVISORS  
OFFICIAL COPY

COUNTY OF LOS ANGELES

**request for appropriation adjustment**

department of **Health Services**

Dept's.  
No. 110

08/24 2007

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

**ADJUSTMENT REQUESTED AND REASONS THEREFOR**

**FY 2007**

**4 - VOTES**

**SOURCES**

See Attachment III for details

**USES**

See Attachment III for details

**JUSTIFICATION**

This budget adjustment is necessary to realign the available funding for the Measure B Special Revenue Fund in accordance with the FY 2006-07 final experience

MM:ty  
08/24/2007

**ADOPTED**

*Mason Matthews*  
Mason Matthews - DHS-Controller's Division

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

Chief Executive Officer's Report

**34**

**SEP 25 2007**

*Sachi A. Hama*  
SACHI A. HAMA  
EXECUTIVE OFFICER

Referred to the Chief  
Executive Officer for ---

action

Approved as Requested

as Revised

☒ Recommendation

*Sept 19 2007*

*D Jensen*  
Chief Executive Officer

auditor-controller

by *Melanie Jung For Connie Yee*

approved (as revised):  
board of supervisors

20

no. **909**

*SEP 19 2007*

by

deputy county clerk

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**DEPARTMENT OF HEALTH SERVICES**  
**MEASURE B BUDGET ADJUSTMENT**  
**FISCAL YEAR 2006-07**

**4-VOTE**

**SOURCES:**

**Measure B - Harbor/UCLA Medical Center**  
BW9-HS-41012-6100  
Operating Transfers Out

\$ 8,078,000

**Measure B - King/Drew Medical Center**  
BW9-HS-41015-6100  
Operating Transfers Out

10,851,000

**Measure B - Administrative/Other**  
BW9-HS-41017-2000  
Services & Supplies

1,000

**Total**

**\$ 18,930,000**

**USES:**

**Measure B - LAC+USC Medical Center**  
BW9-HS-41014-6100  
Operating Transfers Out

\$ 13,747,000

**Measure B - Olive View Medical Center**  
BW9-HS-41013-6100  
Operating Transfers Out

5,183,000

**\$ 18,930,000**

**Noted & Approved:**

**Mason Matthews, Acting Controller**  
**Department of Health Services**

8/22/2007

BA# 909

**DEPARTMENT OF HEALTH SERVICES**  
**SUMMARY EXPLANATION OF BUDGETARY VARIANCES**  
**FISCAL YEAR 2006-07**  
(\$ In Millions)

<b>Sources</b>	<b>FY 2006-07</b>
<b>Deficit from Operations:</b>	
- Current Fiscal Year	\$ (1.6)
- Prior Fiscal Years	2.6
Subtotal	<u>\$ 1.0</u>
<b>Extraordinary Expenditure Variances:</b>	
- Hiring Delays	\$ 18.9 (A)
- Employee Benefits	37.8 (B)
- Clinical Resources Management	7.5 (C)
- Other Charges	4.2 (D)
- Fixed Asset	2.2
- Capital Projects	6.4
- Prior Year Expenditures	14.9
Subtotal	<u>\$ 91.9</u>
<b>Extraordinary Funding Variances:</b>	
- Medi-Cal Redesign	\$ 8.6 (E)
- Managed Care Rate Supplement	(94.0) (F)
- Insurance	4.7
- CHP Equity Distribution	9.2
- Vehicle License Fees	(8.2) (G)
- Sales Tax	4.5 (G)
Subtotal	<u>\$ (75.2)</u>
 Total Fiscal Year 2006-07	 <u>\$ 17.7</u>
<b>Other:</b>	
- Designation Balance from Prior Fiscal Years	<u>\$ 117.6</u>
 June 30, 2007 Designation Balance	 <u><u>\$ 135.3</u></u>

**Notes:**

- (A) Surplus reflects position vacancies due to difficulties in hiring, including difficulty in meeting the nursing staffing ratios required under AB 394.
- (B) Surplus primarily due to less than anticipated Workers Compensation costs, retirement costs, and Benefits Plan costs per final actuals.
- (C) Surplus primarily due to program implementation delays based on the unavailability of necessary technology solutions.
- (D) Surplus primarily due to less than anticipated debt service costs.
- (E) Reflects higher than anticipated revenue, that DHS expects to receive under Medi-Cal Redesign for FYs 05-06 and 06-07.
- (F) The Managed Care Rate Supplement has not been approved by CMS. Approval is expected in FY 2007-08 and the revenue will be retroactive to FY 2006-07.
- (G) Per final actuals provided by CEO and Auditor-Controller.